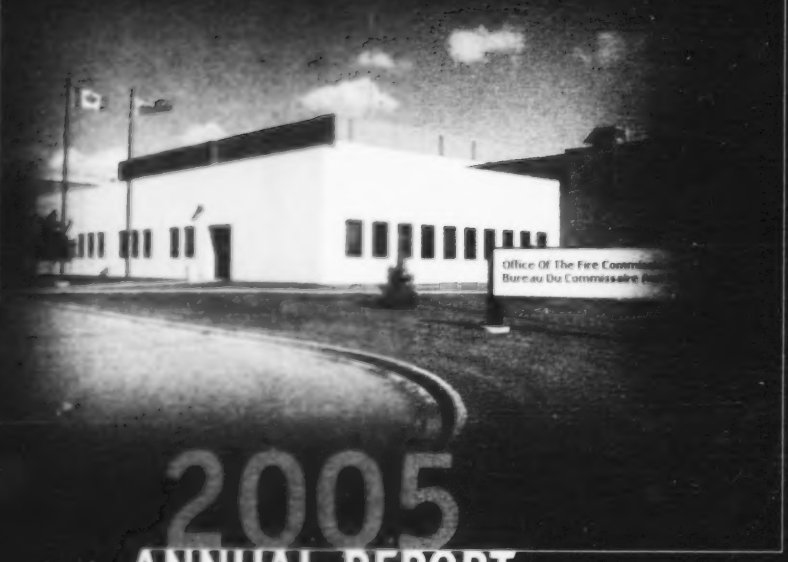
OFFICE *of the* FIRE COMMISSIONER



2005 ANNUAL REPORT 2006

Manitoba

Minister of Labour and Immigration

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

The Honourable John Harvard
Lieutenant Governor of Manitoba
Room 235 Legislative Building
Winnipeg MB R3C 0V8

May it Please Your Honour:

I have the privilege of presenting the tenth Annual Report of the Office of the Fire Commissioner for the fiscal year ended March 31, 2006.

Sincerely,

Nancy Allan

Nancy Allan

2007-01512/

Manitoba

Labour and Immigration

Deputy Minister of Labour and Immigration
311 Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8
T 204-945-4039 F 204-945-2203
www.manitoba.ca

The Honourable Nancy Allan
Minister of Labour and Immigration
Room 317 Legislative Building
Winnipeg MB R3C OV8

I am pleased to submit, for your consideration, the tenth Annual Report of the Office of the Fire Commissioner for the year ended March 31, 2006.

The Board and Management continue to strive to meet the important organizational mission of safeguarding both persons and property through education, investigations, emergency response and code application.

Sincerely,

Jeff Parr
Deputy Minister and Chairperson of
the OFC SOA Advisory Board

Jeff Parr
Deputy Minister of Labour and Immigration
Room 311 Legislative Building
Winnipeg MB R3C OV8

Dear Chairperson:

I am pleased to submit for your review the tenth Annual Report of the Office of the Fire Commissioner for the year ended March 31, 2006.

Highlights of the year:

- Non-levy revenues represent 42% of revenues, up from 21% in the first year as a SOA, allowing the Agency to reduce its reliance on the insurance levy;
- The Agency applied for and received Federal and Provincial grants to cover costs associated with hazardous materials, search and rescue initiatives and heavy urban search and rescue initiatives;
- In partnership with the Department of Aboriginal and Northern Affairs, the Office of the Fire Commissioner is in its second year of a fire protection strategy to enhance fire protection services in northern and remote communities;
- The water bomber reserve fund has been fully funded to cover costs associated with water bomber deployment for non-forest fire incidents occurring on Rural Municipality property;
- Certifying over 4700 individuals in emergency management and response;
- Fire investigators investigated over 750 fires in 2005;
- The Agency participated in 28 emergency responses, utilizing 1,042 Office of the Fire Commissioner staff hours.

Through the continued commitment to enhance the level of public safety in the Province of Manitoba the Office of the Fire Commissioner continues to be a leader in the Emergency Services Community.

Yours truly,

Doug Popowich
Fire Commissioner

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SPECIAL OPERATING AGENCY ADVISORY BOARD

The role of the Advisory Board is to provide advice on the Agency's strategic operations and on changes to its mandate, structure, business practices and finances. The Advisory Board reviews and comments on the Agency's proposed business plans, quarterly and annual reports.

The Advisory Board consists of the following individuals:

JEFF PARR
Board Chair
Ex Officio
Deputy Minister,
Manitoba Labour & Immigration

DOUG POPOWICH
Ex Officio
Fire Commissioner,
Office of the Fire Commissioner

Members

KEVIN BRISCOE
Client Representative
ING Insurance

PETER TARTSCH
Client representative

DENNIS NODRICK
Client Representative
Manitoba Association of Fire Chiefs

DOUG DOBROWOLSKI
Association of Manitoba Municipalities
Councilor, RM of MacDonald

GORD FAVELL
Agency Staff Representative
Manager CISM,
Office of the Fire Commissioner

WES SHOEMAKER
Client Representative
Fire Chief,
Winnipeg Fire Paramedic Services

1 AGENCY PROFILE

Urban Search and Rescue Team.

Historical Perspective

The Fires Prevention Act was originally created in 1872 for the prevention of prairie fires and included the authority to conduct fire investigations. In 1885, the Act was amended to include fire protection of wooded lands. In 1876, the first Fire Commissioner was appointed. In 1940 *The Fires Prevention Act* was separated into two parts. Part I dealt with the forest fires and Part II outlined the responsibilities of the Fire Commissioner in the area of fire prevention and protection. Training of fire fighters became a responsibility in the early 1960s. Part I was replaced with *The Wildfires Act* in 1997.

In 2002, as a result of the World Trade Center Crisis, Bill 2, *The Security Management* (Various Acts Amended) Act, received Royal Assent. This Bill changed *The Fires Prevention Act* to *The Fires Prevention and Emergency Response Act*. Bill 2 mandated the Office of the Fire Commissioner (OFC) to respond to emergency situations and ensure a sufficient incident management system is in place and operational. In addition, the Bill expanded the role of the Fire Commissioner from being able to order evacuations in times of emergencies resulting from fire to include the order of evacuations for all life threatening emergencies

The OFC is responsible for all building codes and standards through *The Buildings and Mobile Homes Act*. The forerunner of this Act was *The Manitoba Public Buildings Safe Egress Act* of 1877. This was followed by *The Manitoba Public Building Act* in 1884. The focus of both these Acts was safe public assembly buildings and means of egress. The proliferation of building codes and standards, within the Province, caused the Government of Manitoba, in 1974, to introduce *The Buildings and Mobile Homes Act* which came into full force on April 1, 1977. The regulation under this Act is the Manitoba Building Code which is the minimum construction standard adopted by the Province.

Our Mission

To safeguard both persons and property from fire and life safety hazards through education, investigations, emergency response and code application.

Our Values

We believe that people have the right to live in safe communities.

We believe in providing the best possible programs and services to our clients.

We believe in being responsible for our organization and in our organization being fair, effective and efficient.

We believe in the loyalty of our people and value their continued development.

Organizational Services

The Agency provides a wide spectrum of mandated services and related activities. No one service area of the Agency stands alone. They are all fundamentally interrelated with the Education and Training and Emergency Response areas being the unifying and defining components.

The services provided are allocated into the following six sections:

Administration

Through the Fire Commissioner, the Administration Section provides overall leadership and direction to the organization. All planning for fiscal, operational, human resource management and policy development is the responsibility of this Section.

Emergency Services/ Municipal Support

Provides consultative services and support to the Municipal Fire Service in the areas of fire department management and operations, fire prevention inspections, public education and fire investigations, as well as provides support to the Province-wide Mutual Aid System.

Education and Training

Provides comprehensive Emergency Services training, public education, Critical Incident Stress Management (CISM), and emergency medical training through the Manitoba Emergency Services College (MESC) or local community-based trainers.

Codes and Standards

Provides building plan review, code enforcement, consultative services, verifies permit applications, and provides advice in the development of the Manitoba Building, Fire and Plumbing Codes.

Fire Investigations

Determines the origin and cause of all fires referred to the Agency.

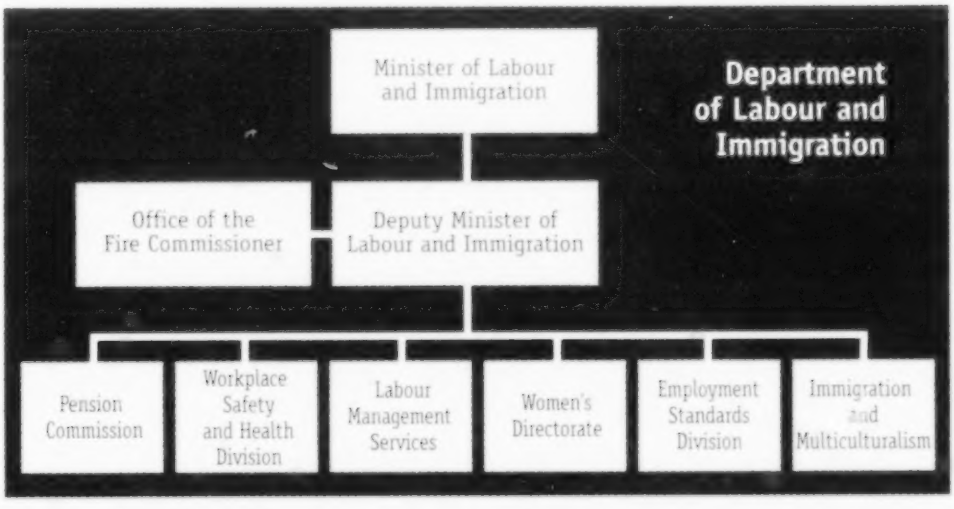
Emergency Response

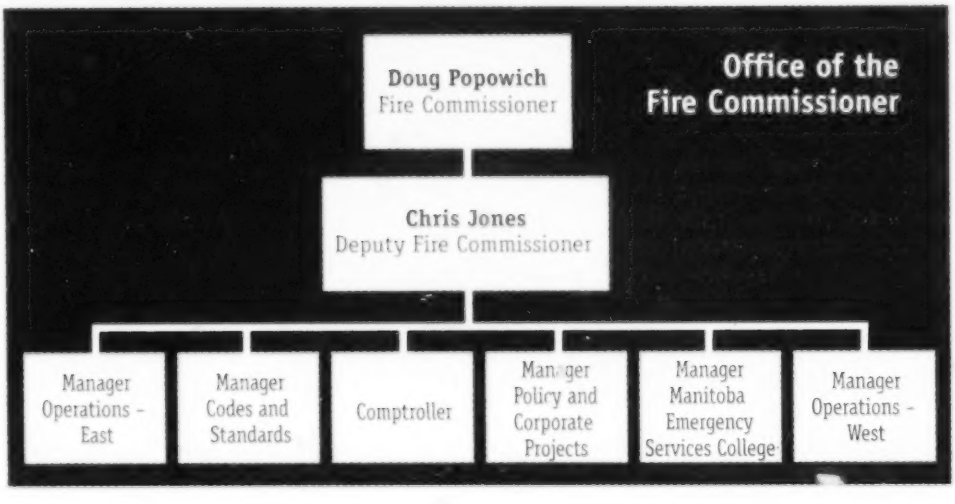
Provides Emergency Response services to the Province of Manitoba to assist with the operation and mitigation of major emergency incidents that are larger than Municipal capabilities, to technical in nature for Municipal resources, or of a Provincial nature.

Organizational Structure

The Office of the Fire Commissioner is an SOA (Special Operating Agency) contained within the Manitoba Labour and Immigration and reports directly to the Deputy Minister of Labour and Immigration.

Currently the Agency has 63 staff years. The Fire Commissioner reports to the Deputy Minister of Labour and Immigration and acts as the Agency's Chief Executive Officer. The Fire Commissioner provides overall supervision and guidance to the Agency with the assistance of a Deputy Fire Commissioner. Under the direction of the Fire Commissioner or Deputy Fire Commissioner the Management Team provides the day to day management of the organization and consists of Managers from the Administration, Emergency Services/Municipal Support, Education and Training, Codes and Standards, and Emergency Response Sections. The Agency has offices in Winnipeg, Brandon, Thompson, The Pas and Beausejour.





2 PROVINCIAL FIRE STATISTICS

Major fire: City of Winnipeg

During 2005, Manitoba reported 5,267 fires. The number of fires remains constant with fires in 2004. However property damage has increased by $29.6 million (35 per cent) over last years figures. There were eighteen fatalities, a decrease of one over the 19 reported in the previous year. Injuries stand at 388, which is a significant increase of 57 over the 331 reported last year.

Fires in Manitoba resulted in an estimated $113.8 million in property damages during 2005. Thirty-one major loss fires (damages of $500,000 and over) accounted for nearly

$48.6 million (43 per cent) of the total estimated property loss in year. During 2004 Manitoba recorded 22 major losses with damages of nearly $23.9 million.

During 2005, 18 people (16 adults) perished as a result of 17 fires in the Province. Thirteen or 72 per cent of these fatalities occurred in the home.

While the cost of fires in terms of injury, death and property loss is high, it must be compared to the costs saved in lives and property as a result of the efforts of the Manitoba Fire Service. During 2005, an estimated $3.6 billion in property was saved as a result of the containment and suppression of fires. In

The Number of Fires In Manitoba:

Number of Fires per 100,000 population

	2005	2004	2003	2002
Manitoba	421	423	501	437

The Cost of Fires to Manitoba:

Property Loss per capita .

	2005	2004	2003	2002
Manitoba	90.86	67.53	75.64	67.50

Injury Rate per 100,000 population

	2005	2004	2003	2002
Manitoba	30.99	26.55	20.40	20.96

Death Rate per 100,000 population

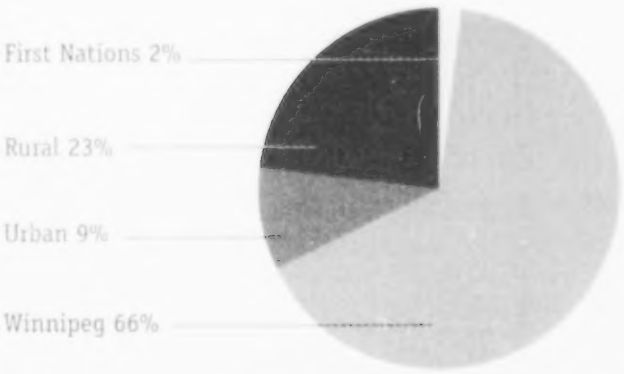
	2005	2004	2003	2002
Manitoba	1.44	1.52	.97	1.71

The Location of Fires in Manitoba

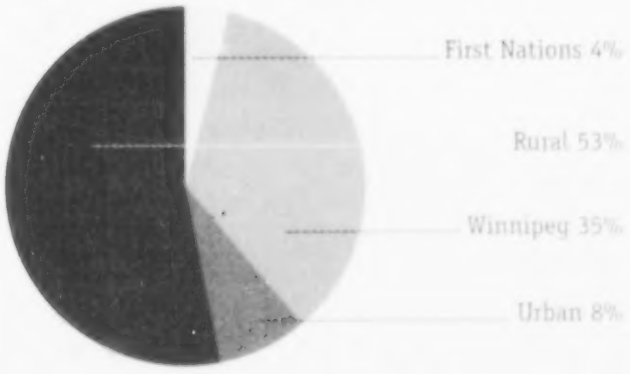
Distribution of Fires

	2005	2004	2003
Winnipeg	3,465	3,351	3,582
Remainder of Province	1,802	1,918	2,604

2005 Manitoba Fires



2005 Manitoba Property Damage



addition, the Manitoba Fire Service reported assisting in the evacuation of approximately 2,145 individuals from fires.

The City of Winnipeg accounts for 66 per cent of reported fires and 35 per cent of property damages in Manitoba. During 2005, 1,575 or 47 per cent of Winnipeg's fires involved outdoor property, primarily rubbish and grass fires. Of these outdoor property fires, 867 or 55 per cent were intentionally set or of a suspicious nature.

Rural Manitoba reported 23 per cent of the fires and accounted for 53 per cent of property damages.

During 2005 there were 5,267 fires which caused $113,768,044 in damages. Outlined below are the percentages of fires and damages by four major causes: accidental, arson, suspicious, and undetermined.

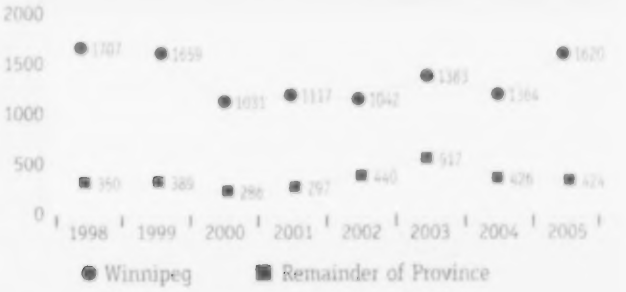
The City of Winnipeg reported an increase of 19 per cent or an additional 256 fires which were determined to be arson or suspicious in nature during 2005. The remainder of the Provincial fires determined as arson suspicious remained constant with a slight decrease of two over the 426 reported in 2004.

The Arson Strike Force and Youth Fire Stop Program remain dedicated to reducing the losses in both the City of Winnipeg and the remainder of the Province.

Causes of Fires

	Fires	Property Damage
Accidental	41%	63%
Arson	15%	10%
Suspicious	24%	6%
Undetermined	20%	21%

Manitoba Arson/Suspicious Fires 1997-2004



3

KEY CONTINUOUS IMPROVEMENT OBJECTIVES

Graduates of the Manitoba Aboriginal and Northern Affairs Fire Fighting Program.

The Agency has identified several goals for the 2005/06 business plan year. These goals form the organization's action plan for each section. The following information provides an overview of the current status of each Section's goals and objectives.

EMERGENCY SERVICES/MUNICPAL SUPPORT

3.1.1 To continue to enhance, develop and support training and education opportunities

in Northern and more remote locations of the Province.

The Agency continues to be committed to developing and supporting training and education opportunities in Northern Manitoba. Through a close working relationship with key stake holders such as Manitoba Conservation, Manitoba Hydro, INCO, Manitoba Aboriginal Northern Affairs (ANA) and Thompson Fire and Emergency Services there has been a notable increase in utilization of the Thompson Practical Training Site.

Through an Emergency Services Officer (ESO) located in Thompson the Agency continues to provide support and assistance in the areas of consultative services, fire prevention, public education, training and education, and emergency response planning to northern communities.

The Agency has employed an education/ training coordinator to begin immediate implementation of a community based fire protection and emergency response education and training program for northern and remote communities. This long term initiative is a partnership between OFC and ANA. For 2006/07 four full programs have been delivered with 11 successful graduates in the Camperville/Duck Bay region, five graduates in the Barrows region, nine graduates in the Community of Cormorant and 11 in Thicket Portage. A joint report on the progress and successes will be presented to Treasury Board in June of 2006.

3.1.2 To continue to work directly with municipal councils in an effort to educate elected official of their responsibilities regarding the provision of fire protection services.

The Agency recognizes the importance of assisting municipal councils with understanding their responsibilities for the provision of fire protection and emergency services. With approximately 50 per cent

of municipal officials changing every four years, as a result of municipal elections, the Agency has noted a need to continually educate councils on the issues and responsibilities associated with operating a fire protection force.

The Agency will continue to host presentations for municipal officials relating directly to their responsibilities in providing effective fire protection services and report in the overall performance measures. As well, the Agency will continue to work closely with the AMM in an effort to ensure a consistent message is provided to all municipalities.

EDUCATION AND TRAINING

3.2.1 To continue to ensure that education and training programs meet the diversity of our clients.

In 1999 a marketing plan was developed to assist with the recruitment of aboriginal people to the Public Fire Paramedic Program (PFPP). To assist in this task the Agency sought the services of an intern of the Aboriginal Management Development Program. Partnership agreements and a MOU were established between the Agency, the Manitoba Assembly of Chiefs and the Manitoba Metis Federation. The Agency put in place a half time liaison officer to deal specifically with aboriginal issues.

The Agency will continue to work towards establishing linkages that will assist with the Agency's cultural and diversity training initiatives. The Agency will be monitoring the increase in aboriginal participants in the PFPP to ensure that all partnership objectives are maintained.

3.2.2 To implement the training programs necessary to address the Provincial Hazard Analysis and Risk Assessment Gap Analysis.

A Provincial Hazard Analysis and Risk Assessment Analysis is underway and it is anticipated that this analysis will provide the Agency in developing comprehensive training plan.

Initial reports indicate that there is a need to enhance communities' education and response capabilities specifically in the areas of Incident Command and Officer Development. Following release of the final report the MESC will develop a training plan to assist the high-risk areas identified through the assessment.

3.2.5 To continue to monitor the usage of the Thompson facility.

The Thompson facility has been a valuable asset to the overall success of operations, training and enhancement of services provided to Northern Manitoba. This year the facility's utilization was tracked through a detailed log system in Thompson. Manitoba Conservation, The City of Thompson, Manitoba Hydro and INCO provided services in kind totalling $7,500.00 in the 2005/06 fiscal year. The yearly cost of operating this facility is approximately $10,000.00. Any

required capital expenditures have been added into the Agency's capital plan as presented in Section 5 of this year's plan.

With the Agency's overall goal to enhance services to Northern Manitoba and partnership agreement with ANA, increased usage of this site by several agencies is anticipated.

CODES AND STANDARDS

3.3.1 To develop regulations necessary for the implementation of the National Objective Based Building, Fire and Plumbing Codes.

In 2001 the National Research Council (NRC) of Canada introduced a concept to change the current code structure to an Objective Based format for implementation in January 2005. This change is to assist users of the code to achieve a greater understanding of the intent behind each requirement, provide more information to evaluate alternative approaches and equivalencies and allow for greater flexibility to adapt to innovation within Canadian construction.

As this change comes to fruition the requirement for Manitoba to adopt the new standards will be through regulation review and approval. The Agency submitted a regulation change which delayed implementation till April 1, 2006. This change has been implemented in the third quarter and now allows for delivery of all training components necessary to facilitate this change for all parties involved. Training sessions were delivered in February and all key stakeholders and staff attended the training.

FIRE INVESTIGATIONS

3.4.1 To continue to develop and support Arson Strike Force models within the Province.

In 1999 due to an overwhelming problem with arson related fires in Winnipeg, an Arson Strike Force consisting of members from Winnipeg Fire Paramedic Services, the Winnipeg Police and the Agency was formed. Following the formation of this tri-party organization a notable decrease in arson related fires was shown. However, there has been a noted increase in arson related fires in rural Manitoba. This has resulted in the formation of a similar model in the City of Brandon in 2004 as well as in Thompson in the third quarter. As the Agency continues to monitor arson related activity the need to be a major contributor to the Arson Strike Force models has become apparent. The Agency will work with high risk arson related areas in the establishment of joint agency task forces as required.

EMERGENCY RESPONSE

3.5.1 To continue to prepare for and respond to emergencies in the Province too large or complex to be handled by the local Municipal or Mutual Aid System.

Recognizing the legislated mandate under *The Fires Prevention and Emergency Response Act* to provide effective emergency response and support, the Agency has been pro-active in developing and enhancing its emergency response capabilities. The Agency continues to provide a critical link in Manitoba's safety infrastructure, through support of the Municipal Emergency Response system while ensuring that it remain a leader in the emergency services field.

Given that the Agency has been pro-active in developing and enhancing its emergency response capability and commitment to public safety the Agency has noted the following successes to date:

- Continued development of the Provincial Urban Search and Rescue (USAR) capabilities.
- Continued development of the Provincial Hazardous Materials Technician capabilities.
- Jointly funded Federal and Provincial capital improvements at the Manitoba Emergency Services Practical Training Site for the purpose of USAR training and response.
- In August 2005, the Agency hosted a multi-agency Ground Search and Rescue (GSAR) training exercise for response to lost or missing persons, under the joint Federal and Provincial New Initiatives Fund (NIF) Program.
- The Agency continues to support Manitoba Conservation – Fire Program and municipalities by providing property and value protection during wildland urban interface fires, including supporting water bomber efforts within municipal jurisdiction.
- The Agency continues to support the emergency services departments of Manitoba, whenever and wherever requested, in order to ensure effective incident management is being implemented at all emergencies.

3.5.2 To continue to develop the capability of Urban Search and Rescue (USAR) within Manitoba.

In 2004, the Province of Manitoba, directed the OFC to develop a USAR capability for the Province. This project is a Federally funded initiative with the Province committing 25 per cent of the funding and the Federal Government committing 75 per cent.

USAR is defined as: "The location of trapped persons in collapsed structures using dogs and sophisticated search equipment; heavy equipment such as cranes to remove debris; the work to breach, shore, remove and lift structural components; the treatment and removal of victims; and the securing of partially or completely collapsed structures".

Over the past eighteen months, the Agency has been very active in the development of the Provincial USAR capability through the following initiatives:

- Acquisition of specialized rescue equipment;

- Development of a Provincial Instructor Network;

- Development of Provincial USAR training programs;

- Delivery of basic level USAR training programs to volunteers and participating agencies including police, fire, emergency medical services and industry representatives.

The Agency received approval during the fourth quarter of a cost shared initiative that provided operating dollars for the maintenance of equipment and on-going training.

3.5.3 To continue to support, develop and ensure sufficient resources are available to respond as part of the Provincial Chemical Biological Radiological and Nuclear (CBRN) initiative.

This initiative was to be a two year project which included providing training and equipment to emergency responders throughout the Province and creating a more technical type of emergency response through partnerships involving government agencies, police agencies, and other major groups.

Over the past year, the Agency has been active in the delivery of CBRN basic level training to the emergency response departments of Manitoba in an effort to ensure that initial responders have the knowledge and ability to recognize a possible CBRN incident.

Two Agency representatives attended a Weapons of Mass Destruction Technician Program in the second quarter at the Goodfellow Air Force Training Academy in San Angelo, Texas as part of a joint training initiative with the United States Department of National Defence.

Eight Agency staff members attended the Chemical Biological and Radiological Intermediate Training Program at the Canadian Emergency Preparedness College in Ottawa, Ontario as part of the twenty four person Manitoba team. With the continued support from Provincial and Federal counterparts the Agency will be training these responders to the advanced level of CBRN response.

OFC Search and rescue K-9: Murphy

3.5.4 To continue to support the development of the Provincial Hazardous Materials Response capability.

In 2001, the Agency was provided with funding support from the Federal Government to develop and enhance the Province's Hazardous Materials Response capabilities. This initiative was introduced over an initial two year period, and extended into 2004.

The initiative provided for three levels of response in the Province with all training, education and equipment being provided by the Agency. To date 1,720 emergency response personnel including police, fire and EMS were provided training to the Awareness Level. Twenty-three Operations Level (Level 2) Hazardous Materials Response teams were trained and equipped within the 20 Mutual Aid or Northern Training Districts, while the Regional Health Authority staff including Emergency Medical Services received training specific to their roles in this type of response.

The Agency has developed and currently partners with various emergency response agencies to maintain two Hazardous Material Technical Response Teams, available to respond to major hazardous materials incidents across the Province. The Western Response Team is located at the MESC in Brandon, Manitoba, and is in partnership with the City of Brandon and Shilo emergency services departments.

The most recently developed team is based out of the City of Thompson, with technical responders and equipment available in both The Pas and Thompson in the event of an emergency in Northern Manitoba.

Discussions are currently underway with the City of Selkirk and the South Interlake Mutual Aid District to establish the final technical response that would be available to respond in Eastern Manitoba.

The Agency will continue to maintain the Provincial capabilities through monitoring of all responses to hazardous materials incidents by emergency services departments across Manitoba, educating and recertifying all team members and ensuring that all incidents are managed safely and effectively through the implementation of a proper Incident Command System.

The Agency will continue to pursue cost sharing measures with the Federal Government in order to continue the support and development of this Provincial response capability.

Where appropriate the Agency will continue to pursue all avenues of cost recovery for costs incurred directly related to emergency response.

3.5.5 To continue to support, develop and enhance the Provincial Ground Search and Rescue (GSAR) team.

The responsibility for GSAR in Manitoba rests with the police agency having jurisdiction. Through a MOU between the Agency and the RCMP, and as directed by the Province's Emergency Plan, the Agency provides logistical support to search and rescue operations and is responsible for the training, development and coordination of the volunteer GSAR team network. The authority to ensure that an effective Incident Command System is implemented at all Provincial emergency incidents remains with the Agency.

The Manitoba Provincial GSAR network has been developed over the past 12 years through the Provincial mutual aid network as well as the First Nations Tribal Council areas across the Province. Presently there are twenty-seven active volunteer GSAR teams trained and equipped to respond across the Province.

The development of this highly effective Search & Rescue network has been accomplished through a number of partnerships with other Federal, Provincial and volunteer agencies and continues to be supported at both the Federal and Provincial levels. The Agency will continue to maintain the Provincial GSAR volunteer team network through the delivery of certified training programs at the mutual aid district and community level.

As part of a commitment to work in partnership with the Winnipeg Police Service (WPS), a well organized group of trained volunteers as well as WPS members are now available within the City of Winnipeg to respond to any call for missing or lost persons.

Under the Federal New Initiatives Fund (NIF) for Search and Rescue, the Agency will continue to host annual multi-agency GSAR exercises, as well as offer winter rescue and survival training programs to GSAR personnel.

The Agency will continue to support the RCMP and other police agencies by providing logistical support and coordination of volunteer SAR teams, as well as ensure an effective Incident Command System is implemented at all GSAR incidents in Manitoba.

Up to the fourth quarter, the Agency responded to seven GSAR incidents at the request of the RCMP or WPS.

3.5.6 To continue to support police services in responding to illegal drug operations such as methamphetamine laboratories.

There is a growing concern about illegal drug lab activity in the Province, in response to this concern the Agency has developed a MOU with the RCMP to assist them in the safe mitigation of these labs, by providing

Hazard Materials technical exercise.

the necessary fire and rescue protection, as well as specialized hazmat services.

The Agency recently hosted a two day joint training exercise with RCMP Clandestine Drug Lab Team in an effort to ensure that both agencies were familiar with the mandate and capabilities of each other, and that joint response protocol could be developed. With the development of the Provincial Clan Lab working group it is anticipated that a MOU between the RCMP, Manitoba Justice and the Agency has been established in the fourth quarter.

The Agency has assisted the RCMP in the mitigation of two illegal drug operations in Manitoba earlier this year. Given the increase in use of methamphetamines it is anticipated that there will be a more frequent response in the future

4 PERFORMANCE MEASURES

Search and Rescue Team being transported.

Investigations:

Fire investigations are conducted by members of the Manitoba Fire Service or the OFC in co-operation with police authorities and the insurance industry. Clients call upon the services of our fire investigators for situations such as fire fatalities, serious injuries, explosions, fires where origin or cause cannot be determined and any fire resulting in a major loss to the community.

The goal of the OFC is to see the number of investigations decline. This would reduce operating costs through the reduction of overtime paid to investigators. The key to achieving this goal is to continue training members of the Manitoba Fire Service in fire investigations. This would allow OFC investigators to deal with the more critical investigations.

The investigation work done by the Agency assists in the laying of criminal charges and conviction of criminals. No specific targets are set in these areas as the number of charges and convictions fluctuate with the number of arson incidents. Decisions made and actions taken by the police and prosecutors influence both the number of charges and convictions.

Where arson is the cause of a fire, there can be savings to the insurance industry through reduced payouts. Investigative work also identifies how a structure performed during a fire which provides valuable evidence as to the adequacy of existing building codes. The knowledge gained is used to provide input into the code setting process.

	2005*	2004*	2003*
Number of investigations conducted	759	628	626
Percent of fires for which a cause was determined	80%	81%	80%
Number of charges laid	97	150	103
Decrease/(increase) in arson/suspicious fires			
a.) Winnipeg	(13%)	(5%)	(34%)
b.) Remainder of Province	(44%)	25%	(17%)
Deliver two Youth Fire Stop Programs to investigation and support Agencies	2	4	1

* *Calendar year*

Manitoba Emergency Services College (MESC):

The MESC provides training in program areas including Fire Fighting Practices, Fire Service Instructor, Public Safety, Rescue, Hazardous Materials, Driver/Operator, Institutional Fire Protection, Fire Officer, Fire Investigation, Building Standards and Fire Prevention.

The large number of graduates from these MESC courses helps ensure that the Province maintains a network of trained emergency response personnel. In addition to providing free training to our traditional Manitoba client, the MESC has been seeking revenue sources through new clients.

Hazmat Specialists.

MESC Programs	2004/05	2004/05
Number of people taking courses at the MESC	4,792	3,779
Gainful employment for Public Fire Protection Program students in an emergency service career within one year of graduation	90%	90%
Overall satisfaction rating of MESC programs by Public Fire Protection Program students	90%	90%
Satisfaction rating of individual courses offered by the MESC (scale of 10)	9	9

Public Fire Paramedic students training on patient care.

Critical Incident Stress Management (CISM):

The OFC initiated, developed and now maintains a Provincial network of trained Critical Incident Stress Management personnel. Their primary role is to provide support to first responders who are engaged in critical incidents to mitigate the negative psychological affects that such incidents can have on the personal and career lives of these responders.

	2006	2005
Maintain 7 Provincial Teams	7	7
Response to CISM requests at the Regional levels actioned within 4 hours	94%	100%
Response to CISM requests at the Provincial level actioned within 1 hour	94%	100%
Development and review of appropriate training manuals: Basic CISM, Advanced CISM, Educational Handouts, Continuing Education Programs	Review Completed	Review Completed
Development and delivery of appropriate training programs: 5 Basic CISM Programs per year, 1 Advanced CISM program per year	2 Basic Completed 2 Advanced Delivered	5 Basic Delivered 2 Advanced Delivered

Codes and Standards:

The Codes & Standards Section plays an important role in public safety. By reviewing building plans, inspecting buildings and providing consultative services to the public, the staff work to ensure that buildings meet Provincial Building, Fire and Plumbing Codes and do not present a serious threat to public safety. The goal of this Section is to reduce injuries, deaths and property losses arising from substandard construction. We can not readily quantify these public benefits.

	2006	2005
Time to process building permits (% within 9 working days)	87%	90%
Delivery of awareness seminars for Recreational Vehicles/Mobile Home dealers re: safety requirements	4	2
Develop delivery of educational programs with other government agencies	2	4
Delivery of contractor information sessions	2	5

Emergency services/Municipal Support:

The fire service in North America has traditionally been re-active. It responds to emergency situations as they arise with less emphasis on prevention.

The Agency wants to help ensure that the Manitoba Fire Service places an emphasis on prevention and education in an effort to minimize the number of life and property threatening incidents that occur.

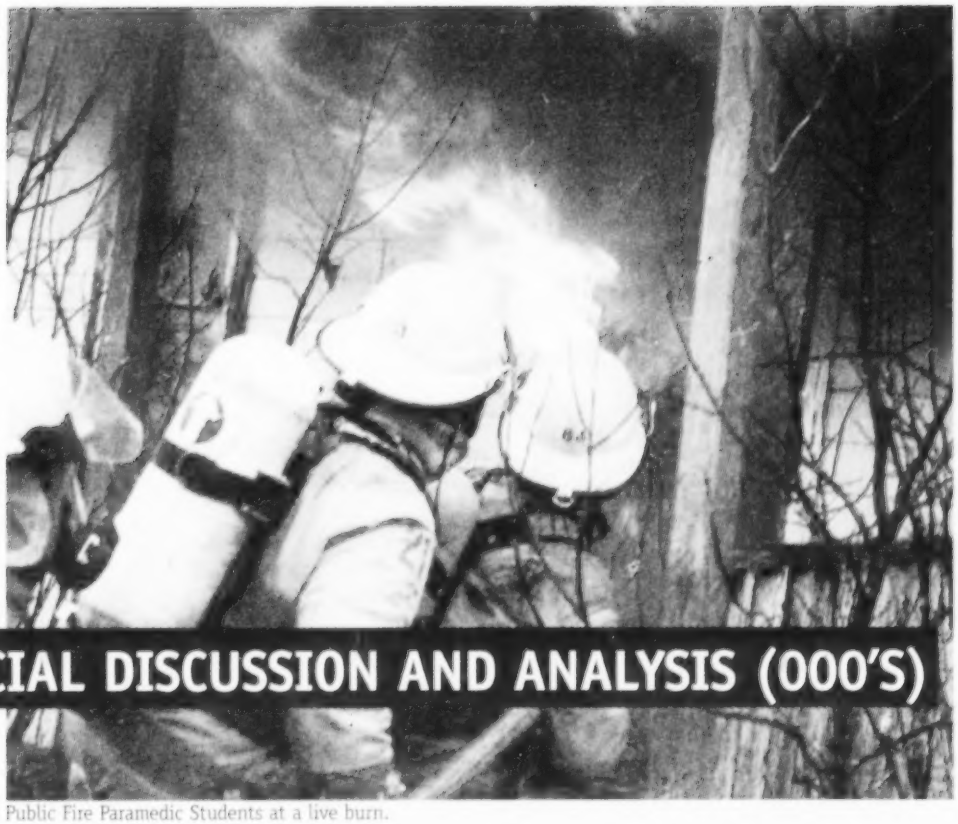
To this end, the Agency has developed a Five Step Action Plan for the Municipal fire service. The Agency will continue to work with the Manitoba fire departments to help implement the program.

	2005/06	2004/05	2003/04
Attendance of Emergency Services Officers or OFC representative at Mutual Aid and Training District meetings	90%	90%	83%
OFC Management to attend one Mutual Aid District meeting per district per year	22/20	17/20	16/20
Requests for assistance from Municipal council or fire department actioned within 3 working days	90%	90%	80%
Requests for fire inspections from all client groups actioned within 5 working days	90%	90%	95%
Delivery of Elected Officials Seminars at the Mutual Aid level	2	4	2

Emergency Response:

	2005/06	2004/05	2003/04
When requested to respond to emergency situations the response shall be within 45 minutes of call	100%	90%	90%
Number of emergency responses	29	29	26

5 FINANCIAL DISCUSSION AND ANALYSIS (000'S)



Public Fire Paramedic Students at a live burn.

REVENUES

Levy – The Fires Prevention Fund Levy has increased slightly (one per cent) over the amount received last fiscal year. Increases in premiums from the World Trade Center Disaster and losses on investments held from insurers that have caused the levy amount to increase in past fiscal years have stabilized.

Permits – Permit revenue is $69 (seven per cent) below last year's actuals and is $32 (three per cent) under budget. Revenue from this source is economically cyclical and can fluctuate significantly from fiscal year to fiscal year.

Tuition and Contract Revenue – Tuition and contract revenue is $138 (ten per cent) under budget due to lower than expected revenue from the Manitoba Emergency Services College's fee for service courses. Our primary customer for training, the Manitoba Fire Service, continues to receive training at no charge.

New Search and Rescue (SAR) Initiative Fund (NIF) Grant – The Agency has applied for and received a grant from the National Search and Rescue Secretariat of the Department of National Defence. The purpose of this grant is to enhance Manitoba search and rescue capabilities by developing the volunteer search and rescue system aimed at Northern and remote areas of Manitoba.

JEPP (Joint Emergency Preparedness Program) Initiative Grant – The Agency was approved by the Province to carry forward unspent funding from Fiscal 2003/04 in order to continue to enhance the Province of Manitoba's ability to respond to hazardous materials emergency responses through the provision of training and equipment.

HUSAR (Heavy Urban Search and Rescue) Initiative Grant - The Agency has applied for and will receive a grant from the Office of Critical Infrastructure Protection and Emergency Preparedness. The purpose of this grant is to enhance the Province of Manitoba's ability to respond to heavy urban search and rescue responses through the provision of training and equipment. The Province of Manitoba is providing funding to the Agency for this initiative as well.

Interest - Interest revenue represents interest earned on investments held by the Fires Prevention Fund. Interest revenue is down $15 (16 per cent) from last fiscal year and is $21 (21 per cent) under budget due to a decrease in interest rates paid on investments this fiscal year.

Inspections - Inspection revenue is $8 (62 per cent) under budget due to lower than expected fire prevention inspection revenue.

Book Sales - Book sale revenue is $7 above last fiscal year actuals ($8 in Fiscal 2004/05 versus $1 in Fiscal 2003/04). In prior years, the Agency distributed Emergency Medical Responder student manuals through a reseller. During the 2004/05 fiscal year, the Agency distributed these manuals directly, resulting in lower cost course materials for the students and an increase in revenue for the Agency.

Water Bomber Recovery - During Fiscal 2004/05, there were no responses attended by the Agency that required water bomber activity and therefore, no recoveries were necessary. The Agency has revised its Water Bomber policy for the Fiscal 2005/06 year, as explained in the Notes to the Financial Statements.

Other Revenue - The Other Revenue line item is $37 (39 per cent) under budget due to lower than expected Other Revenue for the Manitoba Emergency Services College (MESC). It is important to note that the Other Revenue line item contains $14 in cost recovery for three hazardous materials responses attended by the Agency in 2004/05.

Summary - Agency revenues (excluding the NIF Initiative grant, the JEPP Initiative grant and the HUSAR Initiative grant line items) have decreased by $105 (one per cent) and are under budget by $336 (five per cent) for Fiscal 2004/05. The decreased revenue performance this fiscal year can be directly attributed to decreases in permit revenue, fee for service tuition revenue, interest revenue, water bomber recovery and other revenue.

EXPENDITURES

Salaries & Benefits -Salaries and benefits have increased $218 (six per cent) over the last fiscal year due to the general salary increase for 2004/05, the reclassification of some staff and the payment of former contract instructors as casual staff. Costs for this category are $187 (five per cent) under budget due to positions that remained vacant throughout the fiscal year.

Vehicle Lease - Vehicle Lease costs are $15 (four per cent) under budget due to lower than expected mileage costs for Fleet vehicles utilized by the Agency.

Travel - Travel costs are $10 (three per cent) lower than last year and $42 (13 per cent) under budget due to lower than expected travel expenses in the MESC, Administration, Codes and Standards and Emergency Services sections of the Agency.

Communication – Communication costs are $23 (13 per cent) under budget due to lower than expected costs in all Sections of the Agency.

Mutual Aid – The mutual aid line item represents incentive grants given to mutual aid districts to encourage the delivery of training programs in their districts with their own personnel. Certain criteria must be met before a grant will be issued. This amount is $44 (35 per cent) under budget as not all mutual aid districts have applied for mutual aid grants.

Rent – Rent costs are $10 (five per cent) under last year's actuals due to a decrease in equipment rental costs for the Agency's Public Fire Paramedic Program. Rent costs were $10 (six per cent) over budget due to higher than expected Government office accommodation costs.

Property Taxes – Property tax costs have increase $8 (seven per cent) over last year due to increases in property taxes for the Agency's owned property. Also, the Agency commenced paying property tax on the Thompson fire training facility during 2004/05.

Labour Services – The Labour Services line item reflects the costs associated with the provision of Human Resource and Information Technology support services from the Manitoba Department of Labour and Immigration. Labour services costs are $13 (16 per cent) over last years amount and are $13 (16 per cent) over budget. The Agency agreed to pay an additional $13 for services related to the transition of contract instructors to casual employee status and to cover costs associated with policy and legislation services.

Supplies – Supply costs are $41 (15 per cent) above last fiscal year actuals and are $25 (nine per cent) over budget due to higher than expected supply costs in the Administration, Investigation, Codes and Standards and Emergency Services sections of the Agency.

Marketing – Marketing costs are $3 (27 per cent) above last fiscal year but are in line with budgeted amounts. The increase in costs this year can be attributed to marketing for programs at the Manitoba Emergency Services College.

Public Fire Paramedic Program at Manitoba Emergency Services Training College.

Insurance - Insurance costs are $35 (54 per cent) above last year's actuals and are $16 (19 per cent) over budget. The increase can be attributed to increases in general liability insurance premiums and Fleet vehicle insurance premiums.

Professional Services – Professional services costs are $76 (32 per cent) under last year's actuals and $86 (35 per cent) under budget due to a reduction of Contract Instructor costs and the reclassification of these staff as casual. The reclassification has caused a shift in dollars from the Professional Services line item to the Salaries and Benefits line item. Budget amounts for 2005/06 have been adjusted to reflect this reclassification.

Postal and Courier - Postal and courier costs are $4 (11 per cent) under last year's actual and are $11 (25 per cent) under budget due to reduced costs in the MESC and Public Education sections of the Agency.

Professional Development – Professional development costs are $11 (122 per cent) over last fiscal year actuals and $15 (43 per cent) under budget. The increase over last fiscal year can be attributed to an increased level of external professional development in the MESC, Investigations, Codes and Standards and Emergency Services sections of the Agency.

Emergency Response – The Emergency Response line item captures the cost associated with twenty two incident responses, eight search and rescue and search and rescue training not funded by the NIF or HUSAR initiatives. Costs are $4 (six per cent) under budget, as these types of incidents cannot be predicted and are difficult to budget.

New Search and Rescue (SAR) Initiative Fund (NIF) Expenditures – The new SAR initiative (NIF) expenditure line item captures all costs associated with the provision of the NIF initiative as discussed in the Revenue Section.

JEPP Initiative Expenditures and Amortization – The JEPP initiative expenditure line item captures all costs associated with the provision of the JEPP initiative discussed in the Revenue Section. Included in this initiative was the purchase in Fiscal 2003 of $342 and Fiscal 2005 of $11 in capital assets, which are being amortized in accordance with the Agency's amortization policies. The portion of the grant that was spent on capital assets has been allocated to deferred revenue, and will be taken into income at the same amount of amortization on the JEPP capital assets.

HUSAR Initiative Expenditures and Amortization – The HUSAR initiative expenditure line item captures all costs associated with the provision of the HUSAR initiative discussed in the Revenue Section. Included in this initiative was the purchase in Fiscal 2004 of $185 and $218 in Fiscal 2005 of capital assets, which are being amortized in accordance with the Agency's amortization policies. The portion of the grant that was spent on capital assets has been allocated to deferred revenue, and will be taken into income at the same amount of amortization on the JEPP capital assets.

Water Bombing - The Water Bombing line item is $100 (100 per cent) under budget as the Agency has not responded to any incidents this fiscal year requiring this type of fire Suppression activity. The Agency has revised its Water Bomber policy for the Fiscal 2005/06 year, as explained in the Notes to the Financial Statements.

Bad Debt Expense – The bad debt expense of $69 relates to water bomber invoices issued to two municipalities during 2002/03. The Agency received notification in December of 2004/05 to no longer pursue recovery of these amounts.

Summary – Overall, expenditures (excluding the NIF Initiative expenditures, the JEPP Initiative expenditures and amortization, and the HUSAR Initiative expenditures and amortization line items) have increased by $259 (four per cent) over last fiscal year's actuals. Expenditures (excluding the NIF Initiative expenditures, the JEPP Initiative expenditures and amortization, and the HUSAR Initiative expenditures and amortization line items) were $427 (six per cent) under budget due mainly to salaries and benefits, vehicle lease, travel, communications, mutual aid, rent, property taxes, labour services, supplies, insurance, professional services, postal and courier, and professional development costs as discussed previously. The Agency incurred a surplus of $103 in Fiscal 2004/05 versus a surplus of $447 in Fiscal 2003/04.

Manitoba Emergency Services Conference.

Management's Report

For the year ended March 31, 2006

The accompanying financial statements of the Office of the Fire Commissioner are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within the reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to May 25, 2006.

Management maintains internal controls to provide reasonable assurance of the reliability and accuracy of the financial information and that the assets of the Office of the Fire Commissioner are properly safeguarded.

The responsibility of the auditor is to express an opinion of whether the financial statements of the Office of the Fire Commissioner are fairly presented in accordance with Canadian generally accepted accounting principles. The auditor's report outlines the scope of the audit examination and provides the audit opinion.

On behalf of management,

Douglas M. Popowich
Fire Commissioner

Christopher L. Jones
Deputy Fire Commissioner

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Auditors' Report

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of the **Office of the Fire Commissioner** as at March 31, 2006 and the statements of operations and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The budget figures presented in the Statement of Operations are unaudited.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
May 19, 2006

BDO Dunwoody LLP is a Limited Liability Partnership registered in Ontario

OFFICE OF THE FIRE COMMISSIONER - An Agency Of The Special Operating Agencies Financing Authority
Balance Sheet

March 31		2006		2005
		(000's)		
Assets				
Current Assets				
Cash	$	6,895	$	4,228
Short-term investments (Note 3)		-		2,613
Accounts receivable (Note 4)		657		619
Accrued interest		-		10
Inventory		18		10
Prepaid expenses		55		52
		7,625		7,532
Non-Current Assets				
Due from Province of Manitoba - Severance (Note 5)		311		311
Due from Province of Manitoba - vacation pay (Note 6)		248		248
Capital assets (Note 7)		5,703		5,689
		6,262		6,248
	$	13,887	$	13,780
Liabilities and Equity				
Current Liabilities				
Accounts payable	$	405	$	574
Accrued liabilities		508		585
Deferred revenue		921		894
		1,834		2,053
Severance Liability (Note 8)		358		361
		2,192		2,414
Commitments (Note 14)				
Equity				
Contributed capital (Note 9)		11,279		11,279
Water Bomber Reserve Fund (Note 13)		200		100
Retained earnings (deficiency)		216		(13)
		11,695		11,366
	$	13,887	$	13,780

Approved on behalf of the Special Operating Agency Advisory Board:

Chairperson

Fire Commissioner

OFFICE OF THE FIRE COMMISSIONER - An Agency Of The Special Operating Agencies Financing Authority
Statement of Retained Earnings (Deficiency)

March 31	2006	2005
	(000's)	
Opening balance	$ (13)	$ (16)
Add: Net income for the year	329	103
Less: Water Bomber Reserve Fund Allocation (Note 13)	(100)	(100)
Closing balance	$ 216	$ (13)

The accompanying notes are an integral part of these financial statements.

OFFICE OF THE FIRE COMMISSIONER - An Agency Of The Special Operating Agencies Financing Authority
Statement of Operations

For the year ended March 31

(000's)

	2006 Actual	2005 Actual	Variance	Budget (Unaudited)	Budget Variance
Revenue					
Levy	4,866	4,611	255	4,734	132
Permits, plan review and per capita	1,376	968	408	1,016	360
Tuition and contract revenue	1,283	1,211	72	1,322	(39)
New SAR Initiative (NIF) Grant (Note 10)	58	26	32	61	(3)
JEPP and HUSAR Initiative Grants (Note 11)	289	446	(157)	296	(7)
Interest	92	79	13	98	(6)
Inspections	11	5	6	16	(5)
Emergency Services Conference	94	96	(2)	105	(11)
Book sales	-	8	(8)	8	(8)
Rent	3	4	(1)	-	3
Insurance settlement	111	-	111	-	111
Other revenue	69	58	11	50	19
Total revenue	8,252	7,512	740	7,706	546
Expenses					
Salaries and benefits	4,215	3,671	544	4,254	(39)
Amortization	535	481	54	506	29
Vehicle lease	403	327	76	350	53
Travel	358	277	81	260	98
Repairs and maintenance	330	289	41	285	45
Communications	158	152	6	135	23
Mutual aid	109	81	28	125	(16)
Rent	190	185	5	160	30
Desktop management	324	211	113	200	124
Medical computer lab	6	26	(20)	28	(22)
Property taxes	45	118	(73)	120	(75)
Labour services	81	94	(13)	81	0
Supplies	368	318	50	185	183
Public education material	35	63	(28)	40	(5)
Marketing	19	14	5	15	4
Utilities	82	69	13	68	14
Insurance	105	100	5	106	(1)
Professional services	175	159	16	90	85
Postal and courier	44	33	11	36	8
Professional development	14	20	(6)	31	(17)
Land lease	10	10	0	12	(2)
Publications	24	18	6	22	2
Photofinishing	2	-	2	4	(2)
Buildings Standards Board	-	1	(1)	3	(3)
S.O.A. Board	1	2	(1)	2	(1)
Emergency response	43	66	(23)	70	(27)
New SAR Initiative (NIF) (Note 10)	54	39	15	74	(20)
JEPP and HUSAR Initiative (Note 11)	54	326	(272)	341	(287)
JEPP and HUSAR Initiative Amortization (Note 11)	108	120	(12)	-	108
Water bombing	-	-	-	25	(25)
Bad debt expense (Note 12)	-	69	(69)	-	-
Other	31	70	(39)	45	(14)
	7,923	7,409	514	7,673	250
Net income for the year	329	103	226	33	296

The accompanying notes form an integral part of these financial statements.

OFFICE OF THE FIRE COMMISSIONER - An Agency Of The Special Operating Agencies Financing Authority
Statement of Cash Flows

For the year ended March 31	2006	2005
	(000's)	
Cash Flows from Operating Activities		
Net income for the year	$ 329	$ 103
Items not involving cash		
Amortization of capital assets	643	601
	972	704
Net change in non-cash working capital balances	(261)	176
	711	880
Cash Flows from Investing Activities		
Purchase of capital assets	(657)	(676)
Increase in cash and cash equivalents during the year	54	204
Cash and cash equivalents, beginning of year	6,841	6,637
Cash and cash equivalents, end of year	$ 6,895	$ 6,841
Represented by:		
Cash and bank	$ 6,895	$ 4,228
Short-term investments	-	2,613
	$ 6,895	$ 6,841

The accompanying notes form an integral part of these financial statements.

1. NATURE OF THE OFFICE OF THE FIRE COMMISSIONER

Effective April 1, 1996, the Office of the Fire Commissioner was designated as a Special Operating Agency (SOA) under The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

Effective April 1, 1996, a Transfer Agreement executed between the Government of Manitoba (Labour) and the Financing Authority, a corporation under The Special Operating Agencies Financing Authority (SOAFA) Act, transferred all assets in the Fires Prevention Fund valued at $11,809 to the Financing Authority.

A Management Agreement executed between the Financing Authority and the Minister of Labour, being the Minister responsible for the Agency at that time, assigned responsibility to the Office of the Fire Commissioner to manage and account for the related assets and operations on behalf of the Financing Authority. The Office of the Fire Commissioner itself does not hold title to any assets. Effective April 1, 1996, the Financing Authority established a fund account referred to as the Fires Prevention Fund to hold these assets.

The Office of the Fire Commissioner continues to be part of the Department of Labour and Immigration under the general direction of the Deputy Minister and ultimately the policy direction of the Minister of Labour and Immigration.

The Office of the Fire Commissioner remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

The Office of the Fire Commissioner is economically dependent on the Province of Manitoba, as it derives most of its revenues from the Fires Prevention Levy.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting

The financial statements are presented in accordance with Canadian generally accepted accounting principles.

b) Financial Instruments

The Agency's financial instruments consist of cash, short-term investments, accounts receivable, accrued interest, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

c) Accounting estimates and assumptions

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Inventory

Inventory is valued at cost.

e) Capital assets

Buildings, fire engines, other vehicles and air compressors transferred to the SOAFA from the Government of Manitoba on April 1, 1996 were valued at the lower of their amortized cost or estimated market value. All other assets transferred from the Government of Manitoba on April 1, 1996 were valued at their market value.

The Office provides for amortization of its capital assets on the following basis:

Buildings	40 years straight line
Practical training site	20 years straight line
Practical training site - HUSAR	20 years straight line
Equipment	20% declining balance
Equipment – JEPP	20% declining balance
Equipment – HUSAR	20% declining balance
Fire engines	30% declining balance
Other vehicles	30% declining balance
Other vehicles - HUSAR	30% declining balance
Air compressors	20% declining balance
Furniture	20% declining balance
Computer equipment and software	5 years straight line
Computer equipment – JEPP	5 years straight line
Computer equipment – HUSAR	5 years straight line

The half-rate rule is applied to computer equipment and software additions during the year.

f) Revenue recognition

The Fires Prevention Act imposes a special assessment on licensed insurers equal to a set percentage of total property insurance premiums.

The Office of the Fire Commissioner collects this levy based on the value of premiums and assessments in respect to property insurance in a calendar year. Levy revenue with respect to the 2005 calendar year will be recognized as revenue in the fiscal year ending March 31, 2006. The levy rate is set at 1.25%.

Permits, plan review and per capita, and tuition and contract revenue is recognized when earned and when collectibility is reasonably assured. Grant revenue is recognized as revenue when received or receivable. Grant revenue received for the purchase of capital assets is deferred and recognized as revenue in the same fiscal year and at the same rate as the amortization expense of the related capital asset.

3. SHORT-TERM INVESTMENTS

The short-term investment balance represents funds on deposit with the Department of Finance of the Province of Manitoba with maturities of less than one (1) year.

4. ACCOUNTS RECEIVABLE

The accounts receivable balance is made up of the following:

	2006	2005
Department of Finance – Province of Manitoba	$258	$ 45
Public Safety and Emergency Preparedness Canada (formerly Office of Critical Infrastructure Protection and Emergency Preparedness)	363	391
Other	36	183
	$657	$619

5. SEVERANCE RECEIVABLE AND LIABILITY

The Province has accepted responsibility for the severance benefits accumulated by the Office of the Fire Commissioner's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 of $282 was completely offset by a receivable from the Province. An actuarial valuation report of the Agency's severance as at March 31, 2000 was completed and the receivable from the Province was restated to $311 as a result. The receivable from the Province, or portion thereof, for the Office of the Fire Commissioner will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

6. VACATION PAY RECEIVABLE

Effective March 31, 1996, the Office of the Fire Commissioner commenced recording the estimated liability for vacation pay for its employees. The amount of the estimated liability is determined on March 31 of each year based on eligible vacation entitlements.

The Province of Manitoba has accepted responsibility for the vacation pay benefits accumulated to March 31, 1996 by the Office of the Fire Commissioner's employees. Accordingly, the Office of the Fire Commissioner recorded, effective March 31, 1996, a receivable of $248 from the Province of Manitoba, which is an amount that is equal to the estimated liability for vacation pay benefits at March 31, 1996.

This receivable from the Province of Manitoba has no terms of repayment and, accordingly, the amount of this receivable will remain fixed at $248.

7. CAPITAL ASSETS

	Opening Balance	Additions	Disposals	Closing Balance
Buildings	$ 4,056	$ -	$ -	$ 4,056
Training site	1,964	67	-	2,031
Training Site – HUSAR	-	171	-	171
Equipment	1,367	100	-	1,467
Equipment – JEPP	347	11	-	358
Equipment – HUSAR	357	-	-	357
Fire engines	770	219	-	989
Other vehicles	243	-	-	243
Other vehicles – HUSAR	40	-	-	40
Air compressors	276	59	-	335
Furniture	70	-	-	70
Computers	301	30	-	331
Computers – JEPP	7	-	-	7
Computers – HUSAR	6	-	-	6
Total cost	$ 9,804	$ 657	$ -	$ 10,461

	Opening Accumulated Amortization	Disposition	Current Year's Amortization	Accumulated Amortization
Buildings	$ 1,068	$ -	$ 120	$ 1,188
Training site	669	-	97	766
Training Site - HUSAR	-	-	9	9
Equipment	928	-	106	1,034
Equipment – JEPP	166	-	38	204
Equipment – HUSAR	93	-	53	146
Fire engines	576	-	116	692
Other vehicles	197	-	22	219
Other vehicles – HUSAR	20	-	6	26
Air compressors	187	-	33	220
Furniture	59	-	2	61
Computers	147	-	39	186
Computers – JEPP	3	-	1	4
Computers – HUSAR	2	-	1	3
Total Amortization	$ 4,115	$ -	$ 643	$ 4,758
Net Capital Assets	$ 5,689			$ 5,703

8. SEVERANCE LIABILITY

Effective April 1, 1998, the Office of the Fire Commissioner began recording accumulated severance pay benefits for its employees. The amount of severance pay obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining life of the related employee group.

An actuarial report was completed for the severance pay liability as at March 31, 2005. The report provides a formula to update the liability on an annual basis. The Office of the Fire Commissioner's actuarially determined net liability for accounting purposes as at March 31, 2006 was $358 (2005 - $361). Commencing in 2006 fiscal year the actuarial loss of $81 is being amortized over the 15 year expected average remaining service life of the employee group.

9. CONTRIBUTED CAPITAL

In consideration of the transfer of said assets effective April 1, 1996, the SOAFA shall:

a) not incur or repay to the Government of Manitoba any debt relative to the assets as described in the balance sheet prepared as of March 31, 1996 and verified by the Department of Finance; and

b) record the balance of $11,038 (being the balance of the net assets as described in the balance sheet prepared as of March 31, 1996 and verified by the Department of Finance) as Manitoba's equity in the Financing Authority as related to the Agency's operations.

Due to a change in accounting policy, buildings are being amortized over 40 years as opposed to 30 years. This has resulted in a revaluation of buildings as at April 1, 1996. The value of buildings and contributed equity has increased $241 as at April 1, 1996 to $11,279.

10. NEW SEARCH AND RESCUE (SAR) INITIATIVE (NIF)

The Office of the Fire Commissioner has applied for and received a grant from the National Search and Rescue Secretariat of the Department of National Defence. The purpose of this grant is to enhance Manitoba search and rescue capabilities by developing the volunteer search and rescue system aimed at northern and remote areas of Manitoba.

The New SAR Initiative (NIF) Grant line item reflects the grant received in Fiscal 2005/06 of $58. Expenditures of the initiative include $54 in the New SAR Initiative line item and $4 in expenditures for the initiative which are included in various other expense line items on the Statement of Operations, for total expenditures of $58

11. JOINT EMERGENCY PREPAREDNESS PROGRAM (JEPP) AND HEAVY URBAN SEARCH AND RESCUE (HUSAR) INITIATIVE

The Office of the Fire Commissioner has applied for and will receive grants from Public Safety and Emergency Preparedness Canada (formerly known as the Office of Critical Infrastructure Protection and Emergency Preparedness). The purposes of the grants are to 1) enhance the Province of Manitoba's ability to respond to hazardous material emergency responses through the provision of equipment and training; and 2) to enhance the Province of Manitoba's ability to respond to heavy urban search and rescue responses through the provision of equipment and training.

The office has applied for and will receive an amount of $363 from Public Safety and Emergency Preparedness Canada. $182 of this total grant revenue was utilized to purchase a training site and equipment for these initiatives and this amount has been allocated to deferred revenue. The deferred revenue related to these capital asset purchases will be recognized in the same fiscal year and in the same amount as the amortization expense on the JEPP and HUSAR capital assets. The equipment will be amortized based on the declining balance method at a rate of 20% for equipment. The training site will be amortized based on the 20 year straight line method. An amount of $108 was taken into revenue from the deferred revenue account for the amortization of all JEPP and HUSAR assets in 2005/06. This resulted in total JEPP and HUSAR revenue for the year of $289.

Expenditures of the initiatives include $108 in amortization of JEPP and HUSAR Capital Assets, $54 in the JEPP and HUSAR Initiative expense line item, and $127 in expenditures for the initiatives which are included in various other expense line items on the Statement of Operations, for total expenditures of $289.

The net book value of JEPP and HUSAR assets at March 31, 2006 is $547.

12. BAD DEBT EXPENSE

The prior year's bad debt expense relates to two water bomber invoices issued to two municipalities for water bomber services during Fiscal 2002/03. The Agency received notification from Treasury Board in December of Fiscal 2004/05 to no longer pursue recovery of these amounts. The Agency has revised its water bomber policy, as disclosed in Note 13 – Water Bomber Reserve Fund.

13. WATER BOMBER RESERVE FUND

The Agency received approval from Treasury Board in Fiscal 2005 to establish a special reserve fund for water bomber fire suppression activities. This fund, which will be capped at an amount of $200, will be utilized to cover the costs associated with water bomber deployment for non-forest fire incidents occurring on Rural Municipality property.

14. COMMITMENTS

The Office of the Fire Commissioner as tenant has entered into a Lease Agreement with the City of Brandon as Landlord for the land upon which the practical training facility has been constructed. The term of the lease is five (5) years commencing June 1, 2002 and expiring May 31, 2007, with three (3) five-year renewal options. Minimum annual rent is $10 due on equal monthly installments, plus all operating costs with respect to the subject land.

The Office of the Fire Commissioner has entered into 27 vehicle lease agreements and 3 office equipment lease agreements which give rise to commitments as follows:

	March 31
2007	$ 156
2008	148
2009	114
2010	59
2011	41
	$ 518

15. PUBLIC SECTOR COMPENSATION DISCLOSURE ACT

Pursuant to disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to the Advisory Board Members. During the fiscal year ended March 31, 2006, the following employees received compensation of wages and taxable benefits of $50 or more:

Name	Position	2006	2005
D Popowich	Fire Commissioner	$ 96	$ 88
W Harrow	Investigator	95	74
K Swan	Investigator	93	80
R Vandekerkhove	Manager, Operations East	82	91
C Hogarth	Investigator	80	70
C Jones	Deputy Fire Commissioner	80	73
R Bridges	Emergency Services Officer	79	60
D Schafer	Manager, Operations West	79	78
G Favelle	Manager, Critical Incident Stress Management	77	75
JP Lebel	Manager, Special Projects	76	56
M Bedford	Emergency Services Officer	71	68
D Singleton	Emergency Services Officer/Instructor	71	-
K Carmichael	Emergency Services Officer	69	65
R Gillis	Emergency Services Officer	68	62
R Denslow	Emergency Services Officer	66	63
M Jackson	Emergency Services Officer	65	58
R Pike	Coordinator, Public Fire Paramedic Program	65	60
R Harvey	Coordinator, Rescue Programs	62	59
T Grimshaw	Codes and Standards Officer	60	56
KD Hykawy	Codes and Standards Officer	60	57
T Jennings	Codes and Standards Officer	60	57
K Lanceley	Emergency Services Officer	60	54
J Wedge	Codes and Standards Officer	60	54
S Wolf	Codes and Standards Officer	60	56
A Gray	Emergency Services Officer	59	55
BE Hollier	Manager, Administration and Support Services	59	55
BD Popko	Manager, Manitoba Emergency Services College	59	55
J Tabin	Curriculum Development Officer	58	52
B Hodge	Comptroller	57	78
M Kerbis	Emergency Services Officer/Instructor	57	55
G Winder	Emergency Services Officer/Instructor	55	-
AJ Campbell	Codes and Standards Officer	54	-
S Dufresne	Emergency Services Officer/Instructor	54	52
G Giesbrecht	Emergency Services Officer/Instructor	54	-
B Graham	Codes and Standards Officer	54	-
T Praznik	Emergency Services Officer/Instructor	54	-
K Danino	Public Education Officer	53	-
S Fisher	Emergency Services Officer/Instructor	53	53
K Kroeker	Emergency Services Officer/Instructor	52	-
N Anderson	Manager, Codes and Standards	-	67
E Moore	Coordinator, Fire Prevention and Protection	-	66
DB Monkman	Investigator	-	63
DR Beacham	Special Projects Officer	-	60
P MacIsaac	Coordinator, Emergency Medical Programs	-	60
L Treloar	Codes and Standards Officer	-	58
BJ Metruk	Emergency Services Officer/Instructor	-	51

16. PENSION BENEFITS

Employees of the Office of the Fire Commissioner are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act (CSSA), administered by the Civil Service Superannuation Board. The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government, including the Office of the Fire Commissioner, through the Civil Service Superannuation Fund.

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba the Office of the Fire Commissioner transferred to the Province the pension liability for its employees. Commencing April 1, 2001, the Office of the Fire Commissioner was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for 2006 was $135 (2005 - $137). Under this agreement, the Office of the Fire Commissioner has no further pension liability.

17. COMPARATIVE AMOUNTS

The comparative amounts presented in the financial statements have been restated to conform to the current year's presentation.

Manitoba
spirited energy

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